

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7508**

**BILL NUMBER:** HB 1430

**NOTE PREPARED:** Jan 10, 2011

**BILL AMENDED:**

**SUBJECT:** Disannexation from School Corporations.

**FIRST AUTHOR:** Rep. Lutz

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill creates a process by which residents of a part of an existing school corporation can elect to disannex from that corporation and either annex to another existing school corporation or establish a new school corporation. It makes conforming changes.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** The impact on the state would depend on if the area became a new school corporation or became part of an existing school corporation and what the school formula is at the time of disannexation. The impact is probably minor.

**Explanation of Local Expenditures:** The bill would decrease revenue for the school corporation losing the students and property to either a new or existing school corporation and increase revenue to the new or acquiring corporation. The disannexation process could be started with a petition drive in the area to be disannexed. If 50% of registered voters in the area to be disannexed sign the petition or 10% sign the petition and then a majority of registered voters in the area vote to yes to disannexation, the disannexation process is initiated.

The disannexed area can either set up a new school corporation or join an existing school. To be able to form a new school corporation there has to be at least 270 students in grades 7-12, or 1,000 students in grades 1-12 and the annexed area has to have an assessed value per student of at least \$5,000. The new school or acquiring school would be responsible for a portion of all of the principal and interest payments on any

indebtedness of the relinquishing school corporation. It is unknown how many areas might decide to become part of another school corporation or establish a new corporation.

Special Election Information- Under the conditions specified in the bill, if a primary or general election would not occur within six months of a State Board of Education certification a special election would be held. Expenses to run an election include: precinct election board per diem, rental of a facility for polling (if necessary), and/or voting equipment (if necessary.)

The following table shows the precinct election officers in a precinct election board as provided by law. The table also includes the average pay per election by each office:

Type of Officer	Number	Average Pay Per Election*
Inspector	1	\$129
Judge	2	\$97
Poll Clerk**	2	\$94
Sheriff**	2	\$106
Asst. Poll Clerk**	2	\$94
*Based on a survey of all counties with 57 responding. **May be eliminated by resolution of entire county election board.		

Certain counties pay the judge of the party opposite of the inspector more than the judge of the inspector's party. The additional pay compensates extra duties of the opposite party judge, who accompanies the inspector to drop off the election ballots and canvases after the polls close to the county election board office.

Many counties are not able to fill every position and several do not have assistant poll clerks. Additionally, counties may by resolution of the entire election board, discontinue sheriff and poll clerk appointments. Very few counties in the survey had assistant poll clerks or sheriffs.

#### **Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Local Schools; Circuit court clerks, county election boards.

**Information Sources:** Counties responding to an LSA survey on precinct election officer compensation.

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